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Analysis of Home Industry Development Based on Cost Accounting in Merauke Regency Papua

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Abstract

This study aims to analyze the development of cost accounting based microbusinesses in the home industry in Wenda Asri Village of Merauke Regency Papua. The research approach uses descriptive analytical with survey data collection techniques. The object of this research is the owners of home industries in Wenda Asri Village of Merauke Regency Papua, and the number of informants that were used in this study are 4 people. The collected data is identified, tested, and analyzed to determine the cost structure, business feasibility, and level of sensitivity. Determination of development strategy is done by SWOT analysis through a matrix of internal factors and external factors. The results showed a structure of average costs incurred per month amounting to Rp27,831,333.00 consisting of Fixed Costs Rp13,560,833.00 and Variable Costs Rp14,270,500.00. The overall product break-even point is 3,714 units with the Break-Even Point Price at the selling price of Rp 4,581 per unit, and the Break-Even Point of Rp22,286,002.00. Overall, the business feasibility analysis by using R/C Ratio shows that business activities are feasible to run, but the business feasibility analysis by using capital productivity shows improper results, and labor productivity also shows improper results. The whole level of business sensitivity can be seen from a decrease in the amount of production by 46% and business sensitivity from a decrease in selling prices by 30%.

Keywords: MSME (Micro Small and Medium Enterprises); home industry; development strategy; cost accounting.

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1. Introduction

The contribution of Micro Small and Medium Enterprises (MSME) in the economic growth in Indonesia is quite large, because MSME sector is able to reduce the problem of unemployment and poverty. According to data from the Ministry of Industry, the contribution of MSME sector to GDP has increased by 2.5 percent from 57.84 percent to 60.34 percent in the last five years, and the number of employment has also increased by 0.23 percent from 96.99 percent to 97.22 percent (www.kemenperin.go.id). This is because the growth of the MSME sector tends to increase every year, so that the amount of absorption of its workforce also always increases. The number of MSME which is registered in Indonesia in 2013 has reached to 57.895.721 business units. This number increased compared to 2012 with 56,534,592 units and in 2011 there were 55.206.444 units [1]. If we see it nationally, the growth of MSME always increases every year, but in the region the growth of MSME in Merauke Regency fluctuates, where in 2015 there was a decrease of 6.5% compared to the previous year. Complete data regarding the growth of MSME in Merauke district is presented below.

Table 1: Growth of MSMEs in Merauke Regency

Year	Industry (unit)	Trade (unit)	Total (unit)	Growth (%)
2010	282	419	701	
2011	696	519	1.215	73,3%
2012	757	584	1.338	10,1%
2013	804	440	1.244	-7,1%
2014	851	529	1.380	10,9%
2015	826	464	1.290	-6,5%

Resource: BPS (Central Bureau of Statistics) of Merauke District, 2016

The decrease in the number of MSME which is registered in Merauke Regency in 2015 shows us that not all of MSME are able to survive and develop their businesses [2]. show that in Merauke Regency overall performance of MSME is still relatively low, even though when it is seen from the achievements, the performance has increased in almost all performance indicators except for capital growth indicators which have decreased. Business people often face obstacles in carrying out their business activities which result in a decrease in the performance of MSME and can lead to bankruptcy [3]. prove that factors from within and outside the company greatly affect the performance of MSME. These external factors include the role of related institutions, government policies, socio-economic and cultural conditions, while internal factors include human resources, production techniques and production operations, and marketing aspects [4]. shows that the development of SME in Surabaya is influenced by the desire to work hard, self-confidence, desire to learn, motivation to move forward, ways of communicating, distance of business location with industrial areas, ease of getting new markets, information about competitors, business opportunities, product innovation, sources of capital, government regulations, and corporate financial management. In order to develop and maintain the

sustainability of its business, a strategic decision is needed in the development of MSME. One of the strategy for developing micro and small businesses is a strategy which is related to the implementation of cost accounting in analyzing business activities [5]. shows the implementation of cost accounting and financial management has a positive relationship with the performance of SME [6]. find that there are positive relationships between aspects of financial management such as liquidity and leverage with the performance of SME. Implementation of cost accounting helps businesses in determining product selling prices based on production costs incurred. In general, micro business activities determine product selling prices based only on competitor prices and cash incurred and are not based on actual production costs, so they often experience cash shortages or difficulties in allocating existing cash. Financial management in microbusinesses is one 13 of the problems that is often ignored by business people. Most of micro businesses do not have financial information that can be a reference in making business decisions. Micro business owners make business decisions based solely on intuition and prior experience, so it is often for micro business operators do not know for certain the operating profits obtained each period and the development of their business activities. This case has caused many micro business activities in their development do not have progress even on the contrary [4]. proves that the development of SME is influenced by good financial management, while other aspects such as human resources, production, and marketing have no significant influence on the development of SME. Therefore, this study aims to analyze the development of a home industry based on cost accounting. This research was conducted in the micro industry home industry sector because the number of MSME in the industrial sector in Merauke district is greater than the number of MSME in the trade sector. In the industrial sector, the majority of business units in Merauke district are micro and small scale non-formal industries (496 units).

2. Micro Business

Reference [7] Micro, Small and Medium Enterprises defines micro businesses as productive businesses owned by individuals and / or individual business entities that meet the criteria of micro businesses, which have a maximum net worth of Rp50,000,000.00 excluding land and buildings for business premises, or having annual sales results of at most Rp300,000,000.00 [8]. small businesses as identical to small industries and home industries. According to [8] the industry can be classified according to the number of workers, such as for the number of laborers of 1 - 4 people included in the household industry group, the number of workers 5-19 are classified as small industries, the number of workers of 20 - 99 people are classified as medium industries, and the number of workers employment of 100 or more people is classified as large industries.

3. Methodology

3.1. Research Design

This study uses a descriptive analytical approach, in which its research approach provides a systematic description of the facts obtained when conducting research [9]. Data is collected through questionnaires, interviews, and direct observation. The data analyzed in this study are about the structure of business costs, business feasibility, and sensitivity level. The research was carried out in Wenda Asri Village, Jagebob District, Merauke Regency, Papua Province because most of the people in Wenda Asri village manage home industries by making food products such as twigs, chips, marneng, opaque and tofu. This study uses home industry owners

in Wenda Asri Village Merauke as research objects. The number of home industry owners who were involved as respondents in this study are 4 people.

3.2. Definition of Variable Operations

a. Production costs, i.e. the total cost that is used in order to make / produce a product, consists of raw material costs, labor costs, and factory overhead costs).
b. *Revenue Cost Ratio* (Ratio R/C) is a ratio that shows how much the company's revenue can be used to fund company expenses in conducting business activities.
c. Capital productivity is a number that shows how much business profit gained compared to the total costs incurred as capital.
d. Labor productivity is a number that shows how much the company's revenue can be used to finance the entire workforce used in business activities.
e. Sensitivity level is the level of business sensitivity in increasing input costs and decreasing sales volume.
f. Internal factors are factors in the organization or business unit that affect company performance in the form of strengths and weaknesses.
g. External factors are factors from outside the organization or business unit that can affect company performance in the form of opportunities and threats.

3.3. Technique of Data Analysis

a. Cost Structure

Cost structure analysis is tested by finding the total value of production costs, value of revenue, revenue, profits, Break Event Point (BEP) revenue, production of BEP, and price of BEP.

b. Business Feasibility

Financially tested using R / C ratio, capital productivity, and labor productivity.

c. Sensitivity Analysis

This analysis is carried out by determining the critical point (%) of business feasibility of BEP value. Sensitivity analysis is measured using;

1. Decrease in the number of production (units), calculated by determining the level of business feasibility sensitivity to the number of production during research to the the value of production BEP conducted.
2. Decreasing in product sales price (Rp/unit), calculated by determining the level of business feasibility sensitivity to the product sales price when researching the value of the price BEP.

d. Strategic Decision

The process of formulating strategic decisions starts with observation or environmental assessment, which is monitoring, evaluating and researching primary and secondary information, both related to the external and internal environment. From the results of the study and observation of the external and internal environment, an analysis and anticipation of the opportunities and threats to be faced due to the influence of the external environment, as well as the possible advantages and disadvantages of the internal environment, especially those arising from organizational resources company [10].

4. Result and Discussion

4.1. General Description from Respondents

Wenda Asri Village is one of the villages located in the Jagebob District of Merauke Regency. Wenda Asri village has 230 family heads / householders with a population of 875 people consisting of 478 people (55%) male population and 397 people (45%) female population. Wenda Asri Village is an ex-transmigration area, and it causes that the majority of the population make a living as farmers. The results of farming which are mostly produced from Wenda Asri Village are vegetables and tubers (cassava, taro, potato). However, because the tubers produced by residents in Merauke Regency are quite large and most people consume rice as a source of carbohydrates, the consumption of tubers in Merauke Regency is quite low. Therefore, it is commonly for residents of the village of Wenda Asri to process their produce into products that can be sold. Almost all of the tuber farmers in Wenda Asri Village process their harvests into food products, but most of the business has not been carried out because besides being a garden farmer, and there are many people of Wenda Asri Village also become rice farmers and ranchers. From 104 recorded home industries, there are only 10 of home industry remaining which are still running, and from 10 existing home industry, there are only 4 home industry which are willing to become informants and research respondents. Snack products produced by 4 home industry as the respondents in this study included: cassava chips, cassava chips, cassava chips, cassava chips, corn marning, soy marning, purple potato chips, and tempeh chips. The average production data per month from the four home industry is presented in table 2 below.

Table 2: The Average Production and Sales every Month

No	Product	Selling Price (unit)	Total of Selling		Average Selling	
			Qty	Rp.	Qty	Rp.
1	Kelanting cassava	Rp 6,000	2,520	15,120,000	1,260	7,560,000
2	Cassava chips	Rp 6,000	1,825	10,950,000	608	3,650,000
3	Corn Marning	Rp 6,000	400	2,400,000	200	1,200,000
4	Soybean Marning	Rp 6,000	250	1,500,000	125	750,000
5	Emping cassava	Rp 6,000	50	300,000	50	300,000
6	Purple Potato Chips	Rp 6,000	750	4,500,000	750	4,500,000
7	Soybean Chips	Rp 6,000	1,150	6,900,000	1,150	6,900,000
Total			**6,945**	**41,670,000**	**4,143**	**24,860,000**

Based on the table above, total sales of products produced each month are 6,945 units with sales reaching Rp41,670,000.00. The average sales turnover of each household industry is 592 units or Rp3,551,429.00. The marketing strategy that is used on average is to entrust its products to the kiosks with the marketing area still in the Regency of Merauke. For the products of cassava chips and cassava chips, the products that have the highest sales value, and the marketing of the products is done through retail traders who come directly to take products to market, so that all products made can be sold.

4.2. Cost Structure Analysis

a. Cost of Raw Material

There are almost all of the main raw materials used in the production process are purchased from the community, and in some products that have a small sales value use the raw materials of their own harvest. Raw material costs in this study are grouped in variable costs because the amount of usage varies according to the unit produced. The average usage of raw material costs per month is presented in table 3.

Table 3: Average Raw Material Costs per Month

No	Type	Total Usage		Average Usage	
		Qty	Rp	Qty	Rp
1	Cassava	42	4,000,000	14	1,333,333
2	Corn	100	550,000	50	275,000
3	Soybean	70	660,000	35	330,000
4	Purple Sweet Potato	4	1,000,000	4	1,000,000
5	Tempe	800	2,400,000	800	2,400,000
6	Plastic	23	801,000	6	200,250
7	Label paper	22	395,000	6	98,750
8	Cooking Oil	467	2,802,000	117	700,500
9	Flour	8	64,000	8	64,000
10	Addition Composition	12	2,007,500	3	501,875
	Total		**14,679,500**		**6,903,708**

b. Labor Cost

Labor is an important factor in carrying out production activities. The limited capital owned by home industry owner causes some business owners to work on their own business activities or employ only a few workers. The amount of labor wages paid every month is the same. Therefore, the labor costs in this study are classified into fixed costs. Average labor costs per month can be seen in table 4 below.

Table 4: Average Labor Costs per Month

Description	Unit	R1	R2	R3	R4	Total	Average
Number of employer	Orang	9	8	1	5	23	6
Working day / week	Hari	2	6	6	6	20	5
Working time hours/ day	JKL	8	8	7	5	28	7
Fee / day	Rp	50,000	33,333	12,500	12,500	108,333	27,083
Wages /hours	Rp	6,250	4,167	1,786	2,500	14,702	3,676
JKL/person every month	JKL	64	192	168	120	544	136
wages/person every month	Rp	400,000	800,000	300,000	300,000	1,800,000	450,000
Total JKL / month	**JKL**	**576**	**1,536**	**168**	**600**	**2,880**	**720**
Total HKO / month	Hari	8	24	24	24	80	20
Total wage / month	Rp	3,600,000	6,400,000	300,000	2,500,000	11,800,000	2,950,000

c. Other Costs

The third element of the cost structure is other costs consisting of overhead costs, marketing costs, and general and administrative costs in the form of licensing. Other costs are included in the fixed costs group and some are included in the variable costs group. Average other costs per month are such as depicted on table below:

Table 5: Average Other Costs every Month

Details	V/T	Total (Rp)	Average (Rp)
A. Factory Overhead Costs			
- Depreciation	T	960,833	240,208
- Transportation of the purchase	V	315,000	78,750
- Water	V	375,000	187,500
B. Marketing Cost			
- Transportation marketing	V	295,000	73,750
C Administrative Costs and addition			
- Permit	T	800,000	200,000
Total of others costs		**2,745,833**	**686,458**
Fixed Cost	T	1,760,833	440,208
Variable Cost	V	985,000	246,250

d. Total Cost (TC)

Total cost (TC) is the total costs incurred in order to obtain revenue. Total Cost consists of production costs, marketing costs, and general and administrative costs. Details of the overall costs of each respondent per month are presented in the following table.

Table 6: Details of the Cost of Each Respondent

Respondent	Raw material cost	Labor Costs	Other Costs	Total Cost	Fixed Costs	Variable Costs
R1	3,925,000	3,600,000	585,104	8,110,104	4,015,104	4,095,000
R2	6,279,500	6,400,000	1,065,313	13,744,813	7,075,313	6,669,500
R3	930,000	300,000	422,188	1,652,188	617,188	1,035,000
R4	3,545,000	1,500,000	673,229	5,718,229	1,853,229	3,865,000
Total	**14,679,500**	**11,800,000**	**2,745,833**	**29,225,333**	**13,560,833**	**15,664,500**

Overall, the total costs incurred by home industry owner amounted to Rp29,225,333.00 consisting of a total fixed fee of Rp13,560,833.00 (46%) and a total variable cost of Rp15,664,500.00 (54%). The average total cost of every home industry incurred in the amount of Rp7,306,333.00 consists of an average fixed cost of Rp3,390,208.00 and an average variable cost of Rp3,916,125.00. It can be concluded that the fixed costs incurred by business owners are relatively large. In contrast to the research of [11] who found the amount of variable costs in UKM Putra Kusuma in Gorontalo was 78.31% greater than the fixed costs incurred (21.69%)

e. Break Event Point (BEP)

BEP acceptance calculation is performed to find out how much minimum revenue a business owner must produce in order to break even. Business activities are considered feasible when the value of revenue (Rp) is greater than the value of revenue BEP (Rp). Production BEP calculation is done to find out how much minimum production the business owner must produce in order to break even. Business activities are considered feasible when the value of production (units) is greater than the value of production BEP (units). The price BEP calculation is used to find out the minimum selling price that must be set by the business owner in order to break even for each unit of product. Business activities are considered feasible when the price value (Rp/unit) is greater than the value of the price of BEP (Rp/unit).

Table 7: Break Even Points

Respondent	BEP			Realisasi			Conclusion
	Income (Rp)	Production (unit)	Cost (Rp)	Income (Rp)	Production (unit)	Price (Rp)	
R1	6,790,100	1,132	4,856	10,020,000	1,670	6,000	Feasible
R2	10,981,508	1,830	4,398	18,750,000	3,125	6,000	Feasible
R3	1,085,165	181	4,130	2,400,000	400	6,000	Feasible
R4	2,932,767	489	3,268	10,500,000	1,750	6,000	Feasible
Total	**21,729,247**	**3,622**	**4,208**	**41,670,000**	**6,945**	**6,000**	

It can be concluded from the break-even analysis that the home industry in Wenda Asri Village is included in the business feasible category, with the realization value of total revenues of Rp41,670,000.00 greater than the value of the BEP of Revenue Rp21,729,247.00. The Production BEP value is 3,622 units and the realization of production per month is 6,945 units far above BEP value, so that it is categorized as a business feasible. In terms of price, BEP value is Rp 4,208.00 and the product price realization is Rp6,000.00 so it is categorized as a business feasible.

4.3. Business Feasibility Analysis

The business feasibility analysis used in this study is R/C Ratio, capital productivity, and labor productivity.

a. Revenue Cost Ratio

Revenue cost ratio analysis is a comparison between revenue and costs used in business activities. An effort is said to be feasible when the value of the R/C ratio is greater than 1. The results of the business feasibility analysis using the revenue cost ratio are presented in the following table.

Table 8: Business Feasibility - *Revenue Cost Ratio*

Respondent	Total Sales	Total Cost	R/C Ratio	Conclusion
R1	10,020,000	8,110,104	1.235	Feasible
R2	18,750,000	13,744,813	1.364	Feasible
R3	2,400,000	1,652,188	1.453	Feasible
R4	10,500,000	5,718,229	1.836	Feasible
Total	**41,670,000**	**29,225,333**	**1.426**	

The results of the business feasibility calculation using Revenue Cost Ratio show both partially and overall all household industries have an R/C ratio of above 1 (one), so that it is categorized as business feasible. The results of this study are in line with [11] who found that business activities at Putra Kusuma UKM in Gorontalo can be said to be feasible to be undertaken with the value of R/C Ratio 1.81.

b. Capital Productivity

Capital productivity is the ratio between business profits and total costs incurred as capital. An effort can be said to be feasible if capital productivity is greater than the applicable bank interest. The interest rate used in this study is the loan interest rate for micro businesses in Papua Bank. The results of the business feasibility analysis in terms of capital productivity are presented in the following table.

The results of the business feasibility calculation in terms of capital productivity show both partially and overall all household industries have a value of π/C below the applicable interest rate (1.1%), so that it is categorized as not feasible for business.

Table 9: Business Feasibility - Capital Productivity

Respondent	Total Cost	Net Profit	π/C	Interest Rate	Conclusion
R1	8,110,104	1,909,896	0.235	1.1%	Not feasible
R2	13,744,813	5,005,188	0.364	1.1%	Not feasible
R3	1,652,188	747,813	0.453	1.1%	Not feasible
R4	5,718,229	4,781,771	0.836	1.1%	Not feasible
Total	**29,225,333**	**12,444,667**	**0.426**		Not feasible

Capital productivity of home industry in Wenda Asri Village is all under the value of the prevailing micro-business interest rates because the business owner in running his business relies solely on his own capital, and does not use external sources of capital such as bank loans. Therefore, the size of the business that is run depends on internal capital owned. Business owners do not use external capital because according to them with capital there is enough profit and can meet their daily needs. The use of external capital will actually become a burden when sales turnover decreases and the obligation to pay loan installments does not go down. The results of this study are in line with research by [12] which found that the use of long-term debt does not improve the performance of small businesses.

c. Labor Productivity

Labor productivity is the ratio between revenue/ income and total workforce devoted per business (Rp/HKO). An effort is said to be feasible when labor productivity (Rp/HKO) is greater than the prevailing labor rate. In this study, the applicable labor wage levels using Papua UMP in 2019. The full results of the business feasibility analysis in terms of labor productivity are presented in the following table.

Table 10: Business Feasibility - Labor Productivity

Respondent	**Labor Productivity**				**Conclusion**
	Total labor	**Fee/Person (Rp)**	**UPO/HKO (Rp)**	**Regional Minimum Wage (Rp)**	
R1	8	400,000	50,000	129,636	Not feasible
R2	24	800,000	33,333	129,636	Not feasible
R3	24	300,000	12,500	129,636	Not feasible
R4	24	300,000	12,500	129,636	Not feasible
Total	**80**	**1,800,000**	**22,500**	**129,636**	**Not feasible**

The result of the business feasibility calculation in terms of labor productivity shows that both partially and as a whole all home industries have a Wage Per Person (UPO) / People's Work Day (HKO) value under Regional Minimum Wage (UMR) applicable in Papua (Rp129,636.00), so it is categorized as not worth the effort. The productivity of home industry workers in Wenda Asri Village is all under the applicable UMR because business owners use their own labor more assisted by family members. Therefore, the use of external labor is only modest, and the wages given also adjust to business capital and sales turnover.

4.4. Business Sensitivity Analysis

The business sensitivity analysis aims to find out how much the effect of changes in certain variables on the level of eligibility of home industry. In this study, the change in variables used is a decrease in the amount of production and a decrease in product sales prices. The business sensitivity analysis on price reduction focuses on the selling price of products, while the sensitivity analysis on decreasing the amount of production focuses on the quantity of production volume. The results of the business sensitivity analysis are presented below.

Table 11: Business Sensitivity Analysis

Respondent	Business Sensitivity			
	Actual price (Rp)	**Decreasing of product price**	**Actual Production**	**Decreasing of total product**
R1	6,000	19%	1,693	33%
R2	6,000	27%	2,890	37%
R3	6,000	31%	415	56%
R4	6,000	46%	1,660	71%
Total	**6,000**	**30%**	**6,658**	**46%**

Based on the table above, the sensitivity of the business to a reduction in the whole product prices by 30%. This means that if there is a decrease in product sales prices exceeding 30%, then business activities will not be feasible. The realization of the selling price per product is always constant and the same for all products, which is Rp6,000.00 per unit. Business sensitivity to a decrease in total production by 46%. It means that if there is a decrease in the amount of production exceeding 46%, then business activities will become improper. The decline in products generally occurs due to the decreasing availability of main raw materials purchased from the community of Wenda Asri village. Under these conditions home industry owner does not look for primary raw materials from other places because it will add transportation costs and take a lot of time to find suppliers. In addition, the purchase price will also be very high, so that if it is still sold at Rp6,000.00 per unit, it will cause losses.

4.5. Development Strategy

The development strategy in home industry starts from the identification of internal and external factors. These factors are obtained by direct observation and interviews with stakeholders. Internal factors consist of strengths as strengths that support and weaknesses as limitations that impede the development of home industry. External factors consist of opportunities as supportive opportunities and threats as limitations that impede the development of home industry. The identification of internal and external factors of home industry in Wenda Asri Village, Merauke Regency, Papua, are such as.

1. Strengthen:

- Product quality is guaranteed with a permit from the Health Office
- The price is cheaper than products from other places

- Natural products do not use preservatives
- The crispness of the product is durable because it uses good quality raw materials

2. Weakness:

- Production systems are still conventional using traditional equipment
- Bookkeeping is not optimal because it only records the amount of outgoing and incoming money
- Financial management is still mixed with personal finances for the household
- Product packaging is still simple
- There is no product variation, there is only one flavor available for each product.

3. Opportunities

- Merauke Regency is a fertile agricultural area and vast land availability
- Availability of capital assistance for micro businesses from financial institutions (banks and cooperatives)
- The existence of an online marketing system, including through Facebook, Instagram, WhatsApp, Blogspot, etc.)
- Be open and willing to collaborate with partners, such as universities in the form of the introduction of the latest technology and training.

4. Threats

- The emergence of new competitors with more varied products
- Availability of main raw materials in the community is limited
- The location of home industry is far from the city, so transportation costs are expensive and internet network access is limited

Table 12: SWOT Matrix

	Strengthen (S)	**Weakness (W)**
Opportunity (O)	**S/O** 1) Expanding online and offline marketing networks 2) Utilizing modern technology for product development at quality prices 3) Increase capital from external capital for business development	**W/O** 1) Establish cooperation with partners for product and Human Resources development 2) Looking for sources of suppliers of new raw materials from other villages around home industry
Threat (T)	**S/T** 1) Improve product quality while maintaining competitive selling prices. 2) Carry out product innovation in accordance with the needs of consumers W / T	**W/T** 1) Improve business financial management 2) Finding product information from competitors

The combination of these factors can show the formulation of alternative strategies that can be established for

the development of home industry. The formulation of alternative home industry development strategies in Wenda Asri Village can be seen in the following SWOT Matrix table.

5. Conclusion and Suggestion

Based on the results of the analysis and discussion which have been discussed before, it can be concluded that the total costs incurred by the owner of home industry averaged Rp7,306,333.00 consisting of fixed costs of Rp3,390,208.00 (46%) and variable costs Rp3,916,125.00 (54%). The result of the business feasibility analysis using Revenue Cost Ratio shows that all of home industry are categorized as feasible, while the business feasibility analysis uses capital productivity and labor productivity of all home industry that are categorized as not feasible. The results of the sensitivity analysis show the business sensitivity on decreasing overall product prices by 30%, and the business sensitivity on reducing the overall production amount by 46%. The business development strategy is more focused on product quality and marketing, business finance management, and suppliers of key raw materials. Based on these results, business owners should start to consider using external capital to develop their business, both through product innovation and expansion of marketing areas. In addition, business owners also need to consider the use of modern technology in order to make more production output and can save production time, so that it can support business development and also reduce labor costs. Human Resource competency development through corporate financial management training is also one of the things that business owners need to pay attention to. The future studies can develop this research by using different methods and a wider sample, including the use of quantitative approaches to examine the factors that influence the development of microbusinesses.

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